

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2024 (“FY2024”)**

Nanofilm Technologies International Limited (the “**Company**”) was listed on the Mainboard of the Singapore Exchange Securities Trading Limited on 30 October 2020 (“**Listing**”).

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**A. Unaudited condensed interim consolidated statement of profit or loss and other comprehensive income**

	Note	2H2024 S\$'000	2H2023 S\$'000	Change %	Group FY2024 S\$'000	FY2023 S\$'000	Change %
<b>Revenue</b>	5	121,623	103,866	17.1	204,269	177,018	15.4
Cost of sales		(73,414)	(61,742)	18.9	(128,403)	(111,453)	15.2
Gross profit		48,209	42,124	14.4	75,866	65,565	15.7
Other operating income		2,841	4,745	(40.1)	5,056	6,188	(18.3)
Finance income		1,488	962	54.7	3,189	2,139	49.1
Expenses:							
Research & development and engineering <sup>(1)</sup>		(7,977)	(9,351)	(14.7)	(14,980)	(16,605)	(9.8)
Selling and distribution		(5,666)	(4,657)	21.7	(10,410)	(8,373)	24.3
Administrative		(23,948)	(21,921)	9.2	(45,129)	(43,823)	3.0
Finance		(1,762)	(951)	85.3	(3,619)	(1,902)	90.3
(Impairment loss)/write back of allowance on trade receivables and contract assets		(225)	96	n.m.	(225)	96	n.m.
Share of loss of associate		(44)	(95)	(53.7)	(103)	(142)	(27.5)
<b>Profit before income tax</b>	6	12,916	10,952	17.9	9,645	3,143	206.9
Income tax expenses	7	(1,707)	(399)	327.8	(2,110)	(449)	369.9
<b>Profit after income tax</b>		11,209	10,553	6.2	7,535	2,694	179.7
<b>Other comprehensive income, net of tax</b>							
<i>Items that may be reclassified subsequently to profit or loss</i>							
Exchange difference arising from translation of foreign operations		1,196	(2,147)	n.m.	1,602	(17,620)	n.m.
<i>Items that will not be reclassified subsequently to profit or loss</i>							
Fair value gain from equity investment at fair value through other comprehensive income		-	-	n.m.	-	131	n.m.
<b>Total comprehensive income/(loss) for the period</b>		12,405	8,406	47.6	9,137	(14,795)	n.m.
<b>Profit attributable to:</b>							
Equity holders of the Company		11,482	10,784	6.5	7,744	3,135	147.0
Non-controlling interests		(273)	(231)	18.2	(209)	(441)	(52.6)
		11,209	10,553	6.2	7,535	2,694	179.7
<b>Total comprehensive income attributable to:</b>							
Equity holders of the Company		12,671	8,470	49.6	9,284	(13,878)	n.m.
Non-controlling interests		(266)	(64)	315.6	(147)	(917)	(84.0)
		12,405	8,406	47.4	9,137	(14,795)	n.m.
<b>Adjusted EBITDA</b>	4	35,089	29,043	20.8	51,806	39,403	31.5

n.m. - Not meaningful

(1) "Research & development and Engineering" includes Research & development, Engineering and Quality assurance expenses.

**A. Unaudited condensed interim consolidated statement of profit or loss and other comprehensive income (cont'd)**

		2H2024	2H2023	Change	Group		
	Note	S\$'000	S\$'000	%	FY2024	FY2023	Change
					S\$'000	S\$'000	%
<b>Earnings per share attributable to the equity holders of the Company (cents)</b>							
Basic earnings per share	8	1.75	1.65	6.1	1.18	0.48	145.8
Diluted earnings per share	8	<u>1.75</u>	<u>1.65</u>	6.1	<u>1.18</u>	<u>0.48</u>	145.8

**B. Unaudited condensed interim statements of financial position**

		Group		Company	
	Note	31/12/2024	31/12/2023	31/12/2024	31/12/2023
		S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	10	304,515	299,595	59,880	62,239
Land use rights		11,051	11,283	-	-
Intangible assets	10	53,013	32,807	9,058	9,691
Investment in subsidiaries	11	-	-	148,169	130,057
Investment in associate	12	3,789	3,892	-	-
Trade and other receivables and other non-current assets	13	-	-	3,595	66,265
Other financial assets	21	1,367	1,367	-	-
Deferred tax assets		4,278	3,786	-	-
		<u>378,013</u>	<u>352,730</u>	<u>220,702</u>	<u>268,252</u>
<b>Current assets</b>					
Inventories		17,104	19,500	5,011	6,111
Trade and other receivables, and other current assets	13	111,757	81,290	20,646	12,297
Contract assets		18,012	12,770	-	-
Cash and bank balances		110,207	155,209	57,051	19,361
		<u>257,080</u>	<u>268,769</u>	<u>82,708</u>	<u>37,769</u>
<b>Total assets</b>		<u>635,093</u>	<u>621,499</u>	<u>303,410</u>	<u>306,021</u>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to equity holders of the Company</b>					
Share capital	14	266,927	266,927	266,927	266,927
Treasury shares	14	(23,498)	(32,653)	(23,498)	(32,653)
Reserves		144,431	145,598	11,920	21,627
		<u>387,860</u>	<u>379,872</u>	<u>255,349</u>	<u>255,901</u>
Non-controlling interests		42,090	44,132	-	-
<b>Total equity</b>		<u>429,950</u>	<u>424,004</u>	<u>255,349</u>	<u>255,901</u>
<b>Non-current liabilities</b>					
Bank loans	16	76,728	77,528	20,668	22,540
Lease liabilities	16	17,375	19,711	9,241	10,391
Other payables	17	53,100	53,100	-	-
Deferred tax liabilities		1,526	1,331	1,331	1,331
		<u>148,729</u>	<u>151,670</u>	<u>31,240</u>	<u>34,262</u>
<b>Current liabilities</b>					
Trade and other payables	17	42,605	35,036	12,669	11,731
Contract liabilities		602	824	221	217
Bank loans	16	8,229	4,668	1,872	1,872
Lease liabilities	16	3,344	3,851	1,757	1,697
Provisions		297	330	200	239
Provision for taxation		1,337	1,116	102	102
		<u>56,414</u>	<u>45,825</u>	<u>16,821</u>	<u>15,858</u>
<b>Total liabilities</b>		<u>205,143</u>	<u>197,495</u>	<u>48,061</u>	<u>50,120</u>
<b>Total equity and liabilities</b>		<u>635,093</u>	<u>621,499</u>	<u>303,410</u>	<u>306,021</u>

### C. Unaudited condensed interim statements of changes in equity

	Attributable to equity holders of the Company						Total S\$'000	Non- controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Treasury Shares S\$'000	Translation reserve S\$'000	Statutory reserve S\$'000	Other reserves S\$'000	Accumulated profits S\$'000			
<b>Group</b>									
<b>At 1 January 2024</b>	266,927	(32,653)	(36,525)	7,142	(64,543)	239,524	379,872	44,132	424,004
Profit for the period	-	-	-	-	-	7,744	7,744	(209)	7,535
Other comprehensive income	-	-	1,540	-	-	-	1,540	62	1,602
Total comprehensive income for the period	-	-	1,540	-	-	7,744	9,284	(147)	9,137
Transfer of statutory reserve	-	-	-	209	-	(209)	-	-	-
Transactions with equity holders, recognised directly in equity									
- Dividends (Note 18)	-	-	-	-	-	(4,297)	(4,297)	-	(4,297)
- Treasury shares re-issued for settlement of NTI Swap Shares to acquire interest in non-controlling interest (Note 11)	-	7,704	-	-	(5,809)	-	1,895	(1,895)	-
- Purchase of treasury shares	-	-	-	-	-	-	-	-	-
- Treasury shares re-issued under RSP 2021	-	1,451	-	-	(1,427)	-	24	-	24
- Adjustment on employee share options	-	-	-	-	87	-	87	-	87
- Adjustment on restricted share plan	-	-	-	-	995	-	995	-	995
Total transactions with equity holders		9,155	-	-	(6,154)	(4,297)	(1,296)	(1,895)	(3,191)
<b>At 31 December 2024</b>	266,927	(23,498)	(34,985)	7,351	(70,697)	242,762	387,860	42,090	429,950

Note:

Other reserves consist of share option reserve, fair value reserve and put option relating to interest in non-controlling interest.

### C. Unaudited condensed interim statements of changes in equity (cont'd)

	Attributable to equity holders of the Company						Total S\$'000	Non- controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Treasury Shares S\$'000	Translation reserve S\$'000	Statutory reserve S\$'000	Other reserves S\$'000	Accumulated profits S\$'000			
<b>Group</b>									
<b>At 1 January 2023</b>	266,927	(17,521)	(19,381)	7,002	(64,083)	245,841	418,785	45,686	464,471
Profit for the period	-	-	-	-	-	3,135	3,135	(441)	2,694
Other comprehensive income	-	-	(17,144)	-	131	-	(17,013)	(476)	(17,489)
Total comprehensive income for the period	-	-	(17,144)	-	131	3,135	(13,878)	(917)	(14,795)
Transfer to retained earnings	-	-	-	-	(496)	496	-	-	-
Transfer of statutory reserve	-	-	-	140	-	(140)	-	-	-
Transactions with equity holders, recognised directly in equity									
- Dividends (Note 18)	-	-	-	-	-	(9,272)	(9,272)	-	(9,272)
- Purchase of treasury shares	-	(16,701)	-	-	-	-	(16,701)	-	(16,701)
- Treasury shares re-issued under ESOS 2017 Scheme and RSP 2021	-	1,569	-	-	(1,250)	-	319	-	319
- Adjustment on employee share options	-	-	-	-	443	-	443	-	443
- Adjustment on restricted share plan	-	-	-	-	712	-	712	-	712
- Contribution of capital by non-controlling interest	-	-	-	-	-	-	-	584	584
- Acquisition of non-controlling interest	-	-	-	-	-	(536)	(536)	(1,221)	(1,757)
Total transactions with equity holders	-	(15,132)	-	-	(95)	(9,808)	(25,035)	(637)	(25,672)
<b>At 31 December 2023</b>	<b>266,927</b>	<b>(32,653)</b>	<b>(36,525)</b>	<b>7,142</b>	<b>(64,543)</b>	<b>239,524</b>	<b>379,872</b>	<b>44,132</b>	<b>424,004</b>

**C. Unaudited condensed interim statements of changes in equity (cont'd)**

	Share capital S\$'000	Treasury Shares S\$'000	Other reserves S\$'000	Accumulated profits S\$'000	Total equity S\$'000
<b>Company</b>					
<b>At 1 January 2024</b>	266,927	(32,653)	(11,836)	33,463	255,901
Loss for the period	-	-	-	(5,048)	(5,048)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(5,048)	(5,048)
Transactions with equity holders, recognised directly in equity					
- Dividends (Note 18)	-	-	-	(4,297)	(4,297)
- Treasury shares re-issued for settlement of NTI Swap Shares to acquire interest in non-controlling interest (Note 11)	-	7,704	-	-	7,704
- Treasury shares re-issued under ESOS Scheme 2017 and RSP 2021	-	1,451	(1,427)	-	24
- Adjustment on employee share options	-	-	87	-	87
- Adjustment on restricted share plan	-	-	978	-	978
Total transactions with equity holders	-	9,155	(362)	(4,297)	4,496
<b>At 31 December 2024</b>	<u>266,927</u>	<u>(23,498)</u>	<u>(12,198)</u>	<u>24,118</u>	<u>255,349</u>
<b>At 1 January 2023</b>	266,927	(17,521)	(11,810)	52,938	290,534
Loss for the period	-	-	-	(10,203)	(10,203)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(10,203)	(10,203)
Transactions with equity holders, recognised directly in equity					
- Dividends (Note 18)	-	-	-	(9,272)	(9,272)
- Purchase of treasury shares	-	(16,701)	-	-	(16,701)
- Treasury shares re-issued under ESOS Scheme 2017 and RSP 2021	-	1,569	(1,250)	-	319
- Adjustment on employee share options	-	-	443	-	443
- Adjustment on restricted share plan	-	-	781	-	781
Total transactions with equity holders	-	(15,132)	(26)	(9,272)	(24,430)
<b>At 31 December 2023</b>	<u>266,927</u>	<u>(32,653)</u>	<u>(11,836)</u>	<u>33,463</u>	<u>255,901</u>

Note:

Other reserves consist of share option reserve and other reserve.

**D. Unaudited condensed interim consolidated statement of cash flows**

	Group	
	FY2024	FY2023
Note	S\$'000	S\$'000
<b>Cash Flows from Operating Activities</b>		
Profit before income tax	9,645	3,143
Adjustments for:		
Depreciation of property, plant and equipment	30,011	29,789
Amortisation of land use rights	260	265
Amortisation of intangible assets	9,462	4,403
Finance expenses	3,619	1,902
Finance income	(3,189)	(2,139)
Provision for warranties and restoration of property, plant and equipment	185	299
Reversal of provision for warranties & restoration cost	(219)	(487)
(Gain)/Write off/loss on disposal of property, plant and equipment	(69)	808
Expense recognised in respect of share-based payments and share options granted	1,082	1,155
Exchange differences – unrealised	(751)	(449)
Write off of other financial assets	-	270
Share of loss of associate	103	142
<b>Operating cash flows before working capital changes</b>	<b>50,139</b>	<b>39,101</b>
Inventories	1,974	(2,304)
Trade, other receivables and other current assets (include contract assets)	(34,611)	14,877
Trade, other payables and provisions (include contract liabilities)	5,752	(11,616)
<b>Cash generated from operations</b>	<b>23,254</b>	<b>40,058</b>
Interest paid	(2,888)	(1,192)
Interest received	3,189	2,139
Income tax paid	(2,331)	(1,959)
<b>Net cash generated from operating activities</b>	<b>21,224</b>	<b>39,046</b>
<b>Cash Flows from Investing Activities</b>		
Acquisition of a non-controlling interests	-	(1,173)
Acquisition of a subsidiary	(9,210)	-
Purchase of property, plant and equipment	(34,879)	(49,071)
Proceeds from disposal of property, plant and equipment	226	744
Proceeds from disposal of financial asset	-	2,027
Additions to intangible assets	(15,228)	(14,264)
Redemption from investment in financial assets	-	6,804
<b>Net cash used in investing activities</b>	<b>(59,091)</b>	<b>(54,933)</b>
<b>Cash Flows from Financing Activities</b>		
Proceeds from re-issuance of treasury shares under ESOS Scheme 2017	-	319
Payment for buy-back of shares	-	(16,701)
Proceeds from bank loans	9,435	57,784
Repayment of bank loans	(8,208)	(1,938)
Payment of lease liabilities	(4,385)	(4,705)
Dividends paid	(4,297)	(9,272)
<b>Net cash (used in)/generated from financing activities</b>	<b>(7,455)</b>	<b>25,487</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(45,322)</b>	<b>9,600</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>155,209</b>	<b>147,830</b>
Effects of exchange rate changes on cash and cash equivalents held in foreign currencies	320	(2,221)
<b>Cash and cash equivalents at the end of the period</b>	<b>110,207</b>	<b>155,209</b>
<b>Note:</b>		
For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:		
Cash and bank balances and fixed deposits	110,207	155,209



## **E. Notes to the unaudited condensed interim consolidated financial statements**

These notes form an integral part of and should be read in conjunction with the accompanying unaudited condensed interim consolidated financial statements.

### **1 General Information**

Nanofilm Technologies International Limited (the “**Company**”) is a public company limited by shares, incorporated and domiciled in Singapore. The Company’s registered address and its principal place of business are at 11 Tai Seng Drive, Singapore 535226.

The unaudited condensed interim consolidated financial statements as at and for the six months and full year ended 31 December 2024 comprise of the Company and its subsidiaries (collectively, the “**Group**”).

The Company is a leading nanotechnology material company in Asia, leveraging its proprietary technologies through its self-built equipment to produce advanced materials coatings and nanofabricated products, with core competencies in R&D, engineering and mass production. Nanofilm’s environmentally sustainable nanotechnology solutions serve as key catalysts in enabling its customers to achieve high value-add advancements in their end-products across wide range of industries.

### **2 Basis of Preparation**

The unaudited condensed interim consolidated financial statements for the six months ended 31 December 2024 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The unaudited condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the last interim financial statements for the six-month period ended 30 June 2024.

The unaudited condensed interim financial statements are presented in Singapore dollar (“**S\$**”) which is the Company’s functional currency. The unaudited condensed interim financial statements are presented and rounded to the nearest thousand (**S\$’000**) except when otherwise indicated.

The accounting policies adopted in the preparation of the unaudited condensed interim consolidated financial statements are consistent with those followed in the preparation of the Group’s audited consolidated financial statements for the year ended 31 December 2023 except for the adoption of new amendments to SFRS(I) that are effective as of 1 January 2024 which did not have significant impact on the financial performance or financial position of the Group. The Group has not adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

In preparing the unaudited condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2023.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

## E. Notes to the unaudited condensed interim consolidated financial statements

### 3 Seasonal Operations

The Group typically enjoys significantly better results in the second half of the year, primarily driven by the Advanced Materials BU's and Nanofabrication BU's exposure to the 3C market. Increase in demand for the Group's services and products in the 3C sector tend to be in line with new product launches or product upgrades by the Group's customers and increases in demand during the holiday season. However, such seasonality trend may change along with changes in consumer pattern or the Group's customers' timing in new product launches.

The Group does not experience material seasonality impact with respect to the Group's customers from the other BUs.

### 4 Operating Segment Information

Management has determined the operating segments based on the reports reviewed to make strategic decisions. The Group has four reportable segments, as described below, which are the Group's strategic business units ("BU") based on different services/products ranges.

Advanced Materials BU ("AMBU")	- material science provider of advanced materials through proprietary vacuum coating technology across wide range of end industries.
Industrial Equipment BU ("IEBU")	- designs and develops customised coating equipment, cleaning lines and automation systems, including after sales support for internal BUs and external sales to selective markets.
Nanofabrication BU ("NFBU")	- manufacturer and supplier of nanoproducts in optical imaging lens and sensory components critical to customers' end-products.
Syrogen BU	- provider of critical fuel cell components with its proprietary conductive diamond coatings and fuel cell system solutions for the hydrogen energy market.

## E. Notes to the unaudited condensed interim consolidated financial statements

### 4 Operating Segment Information (cont'd)

	Advanced materials S\$'000	Industrial equipment S\$'000	Nanofab- rication S\$'000	Sydrogen S\$'000	Inter-segment eliminations S\$'000	Total S\$'000
<b>FY2024</b>						
Revenue from external customers	172,140	11,290	18,042	2,797	-	204,269
Inter-segment sales	-	7,060	-	-	(7,060)	-
	<u>172,140</u>	<u>18,350</u>	<u>18,042</u>	<u>2,797</u>	<u>(7,060)</u>	<u>204,269</u>
Adjusted EBITDA	<u>40,500</u>	<u>4,967</u>	<u>7,871</u>	<u>(1,532)</u>	<u>-</u>	<u>51,806</u>
<u>Other information</u>						
Depreciation	23,474	858	4,914	765	-	30,011
Amortisation of land use rights	210	14	33	3	-	260
Amortisation of intangible assets	6,786	480	457	1,739	-	9,462
Impairment loss on trade receivables	201	5	(14)	33	-	225
(Gain)/write off/loss on disposal of property, plant and equipment	(71)	10	(14)	6	-	(69)
Listing expenses – Recurring	29	16	1	-	-	46
Share option expenses	55	30	2	-	-	87
Award share expenses under RSP 2021	631	338	26	-	-	995
Provision for warranties and restoration of property, plant and equipment	-	185	-	-	-	185
Reversal of provision for warranties	-	(219)	-	-	-	(219)
<b>At 31 December 2024</b>						
<u>Assets</u>						
Segment assets	425,122	45,532	13,736	31,062	-	515,452
Cash and bank balances						110,207
Other financial assets						1,367
Investment in associate						3,789
Deferred tax assets						<u>4,278</u>
						<u>635,093</u>
Segment assets include:						
Additions to non-current assets:						
- Property, plant and equipment	33,547	2,014	949	794	-	37,304
- Intangible assets	<u>22,742</u>	<u>1,292</u>	<u>715</u>	<u>3,954</u>	<u>-</u>	<u>28,703</u>
<u>Liabilities</u>						
Segment liabilities	51,246	7,631	1,879	3,467	-	64,223
Bank loans						84,957
Deferred tax liabilities						1,526
Other payables (non-current)						53,100
Provision for taxation						<u>1,337</u>
						<u>205,143</u>

## E. Notes to the unaudited condensed interim consolidated financial statements

### 4 Operating Segment Information (cont'd)

	Advanced materials S\$'000	Industrial equipment S\$'000	Nanofabrication S\$'000	Sydsrogen S\$'000	Inter-segment eliminations S\$'000	Total S\$'000
<b>FY2023</b>						
Revenue from external customers	141,544	18,372	16,049	1,053	-	177,018
Inter-segment sales	-	18,794	-	-	(18,794)	-
	<u>141,544</u>	<u>37,166</u>	<u>16,049</u>	<u>1,053</u>	<u>(18,794)</u>	<u>177,018</u>
Adjusted EBITDA	<u>32,700</u>	<u>6,068</u>	<u>2,678</u>	<u>(2,043)</u>	<u>-</u>	<u>39,403</u>
<u>Other information</u>						
Depreciation	24,384	1,756	2,514	1,135	-	29,789
Amortisation of land use rights	254	-	11	-	-	265
Amortisation of intangible assets	3,278	345	304	476	-	4,403
Write back of impairment loss on trade receivables	(140)	(18)	56	6	-	(96)
Write off/loss on disposal of property, plant and equipment	805	3	-	-	-	808
Listing expenses – Recurring	20	23	1	-	-	44
Share option expenses	199	235	9	-	-	443
Award share expenses under RSP 2021	321	377	14	-	-	712
Provision for warranties and restoration of property, plant and equipment	-	299	-	-	-	299
Reversal of provision for warranties	-	(487)	-	-	-	(487)
<b>At 31 December 2023</b>						
<u>Assets</u>						
Segment assets	345,443	65,575	20,340	25,887	-	457,245
Cash and bank balances						155,209
Other financial assets						1,367
Investment in associate						3,892
Deferred tax assets						3,786
						<u>621,499</u>
Segment assets include:						
Additions to non-current assets:						
- Property, plant and equipment	40,626	8,166	1,257	7,250	-	57,299
- Intangible assets	13,130	93	138	3,624	-	16,985
<u>Liabilities</u>						
Segment liabilities	41,729	11,105	2,107	4,811	-	59,752
Bank loans						82,196
Deferred tax liabilities						1,331
Other payables (non-current)						53,100
Provision for taxation						1,116
						<u>197,495</u>

**E. Notes to the unaudited condensed interim consolidated financial statements**
**4 Operating Segment Information (cont'd)**

	Advanced materials S\$'000	Industrial equipment S\$'000	Nanofab -rication S\$'000	Sydrogen S\$'000	Inter-segment eliminations S\$'000	Total S\$'000
<b>2H2024</b>						
Revenue from external customers	101,089	7,393	11,068	2,073	-	121,623
Inter-segment sales	-	4,965	-	-	(4,965)	-
	<u>101,089</u>	<u>12,358</u>	<u>11,068</u>	<u>2,073</u>	<u>(4,965)</u>	<u>121,623</u>
Adjusted EBITDA	<u>25,541</u>	<u>5,101</u>	<u>5,247</u>	<u>(800)</u>	<u>-</u>	<u>35,089</u>
<u>Other information</u>						
Depreciation	11,596	494	2,639	184	-	14,913
Amortisation of land use rights	34	4	11	1	-	50
Amortisation of intangible assets	3,897	294	401	1,248	-	5,840
Impairment loss on trade receivables	201	5	(14)	33	-	225
(Gain)/write off/loss on disposal of property, plant and equipment	(82)	-	(12)	-	-	(94)
Listing expenses – Recurring	15	9	-	-	-	24
Share option expenses	(30)	(17)	(2)	-	-	(49)
Award share expenses under RSP 2021	392	207	16	-	-	615
Provision for warranties and restoration of property, plant and equipment	-	66	-	-	-	66
Reversal of provision for warranties	-	(146)	-	-	-	(146)

**E. Notes to the unaudited condensed interim consolidated financial statements**
**4 Operating Segment Information (cont'd)**

	Advanced materials S\$'000	Industrial equipment S\$'000	Nanofab- -rication S\$'000	Sydrogen S\$'000	Inter-segment eliminations S\$'000	Total S\$'000
<b>2H2023</b>						
Revenue from external customers	82,273	9,522	11,395	676	-	103,866
Inter-segment sales	-	13,193	-	-	(13,193)	-
	<u>82,273</u>	<u>22,715</u>	<u>11,395</u>	<u>676</u>	<u>(13,193)</u>	<u>103,866</u>
Adjusted EBITDA	<u>23,902</u>	<u>3,821</u>	<u>2,728</u>	<u>(1,408)</u>	<u>-</u>	<u>29,043</u>
<u>Other information</u>						
Depreciation	11,650	779	1,538	388	-	14,355
Amortisation of land use rights	150	(16)	(2)	(1)	-	131
Amortisation of intangible assets	2,219	120	216	446	-	3,001
Write back of Impairment loss on trade receivables	(140)	(18)	56	6	-	(96)
Write off/loss on disposal of property, plant and equipment	151	4	-	-	-	155
Listing expenses –						
Recurring	2	20	-	-	-	22
Share option expenses	(50)	198	(9)	(3)	-	136
Award share expenses under RSP 2021	120	348	(1)	(2)	-	465
Provision for warranties and restoration of property, plant and equipment	-	132	-	-	-	132
Reversal of provision for warranties	-	(191)	-	-	-	(191)

## E. Notes to the unaudited condensed interim consolidated financial statements

### 4 Operating Segment Information (cont'd)

A reconciliation of the Adjusted EBITDA to profit before income tax is as follows:

	Group			
	2H2024 S\$'000	2H2023 S\$'000	FY2024 S\$'000	FY2023 S\$'000
Adjusted EBITDA <sup>(1)</sup> for reportable segments	35,089	29,043	51,806	39,403
Depreciation	(14,913)	(14,355)	(30,011)	(29,789)
Amortisation	(5,890)	(3,132)	(9,722)	(4,668)
Gain/(Write off/Loss) on disposal of property, plant and equipment	94	(155)	69	(808)
Other professional fees	(575)	5	(1,072)	(520)
Award shares expenses under RSP 2021	(615)	(465)	(995)	(712)
Finance income	1,488	962	3,189	2,139
Finance expenses	(1,762)	(951)	(3,619)	(1,902)
Profit before income tax	12,916	10,952	9,645	3,143
Income tax expenses	(1,707)	(399)	(2,110)	(449)
Profit after income tax	11,209	10,553	7,535	2,694

<sup>(1)</sup> Net profit before interest, tax, depreciation and amortisation (EBITDA).

Revenue from external customers based on the Group's entities' place of business are as follows:

	Group			
	2H2024 S\$'000	2H2023 S\$'000	FY2024 S\$'000	FY2023 S\$'000
Singapore	20,003	20,818	35,483	35,828
China	93,059	77,052	154,504	129,084
Japan	5,742	5,983	9,067	12,090
Vietnam	143	13	177	16
Europe	2,676	-	5,038	-
Total revenue	121,623	103,866	204,269	177,018

## E. Notes to the unaudited condensed interim consolidated financial statements

### 5 Revenue

#### (a) Revenue by business segment

	Group			
	2H2024	2H2023	FY2024	FY2023
	S\$'000	S\$'000	S\$'000	S\$'000
Advanced materials	101,089	82,273	172,140	141,544
Industrial equipment	7,393	9,522	11,290	18,372
Nanofabrication	11,068	11,395	18,042	16,049
Sydragen	2,073	676	2,797	1,053
<b>Total</b>	<b>121,623</b>	<b>103,866</b>	<b>204,269</b>	<b>177,018</b>

#### (b) Disaggregation of revenue from contracts with customers

	Group			
	2H2024	2H2023	FY2024	FY2023
	S\$'000	S\$'000	S\$'000	S\$'000
Performance obligations satisfied at a point in time				
Sale of equipment	4,902	2,087	4,902	4,439
Sale of products and spare parts	16,234	16,826	24,121	26,991
	<u>21,136</u>	<u>18,913</u>	<u>29,023</u>	<u>31,430</u>
Performance obligations satisfied over time				
Service rendered	99,508	81,372	174,113	138,943
Sale of equipment	979	3,581	1,133	6,645
	<u>100,487</u>	<u>84,953</u>	<u>175,246</u>	<u>145,588</u>
<b>Total</b>	<b>121,623</b>	<b>103,866</b>	<b>204,269</b>	<b>177,018</b>

#### (c) Breakdown of sales and profit after income tax

	Group		
	FY2024	FY2023	Change
	S\$'000	S\$'000	%
Sales reported for the first half year	82,646	73,152	13.0
Loss after income tax reported for first half year	<u>(3,674)</u>	<u>(7,859)</u>	<u>(53.3)</u>
Sales reported for the second half year	121,623	103,866	17.1
Profit after income tax reported for second half year	<u>11,209</u>	<u>10,553</u>	<u>6.2</u>



## E. Notes to the unaudited condensed interim consolidated financial statements

### 6 Profit before Income Tax

This is stated after charging/(crediting) the following:

	Group			
	2H2024 S\$'000	2H2023 S\$'000	FY2024 S\$'000	FY2023 S\$'000
Finance expense on:				
- bank loans	1,400	611	2,900	1,192
- lease liabilities	362	340	719	710
Finance income from:				
- bank deposits	(1,488)	(962)	(3,189)	(2,139)
Material items included in expenses/other operating income:				
Government grants and incentives	(1,442)	(3,998)	(2,415)	(4,627)
Depreciation of property, plant and equipment	14,913	14,355	30,011	29,789
Amortisation of land use rights	50	131	260	265
Amortisation of intangible assets	5,840	3,001	9,462	4,403
Lease expenses (short term leases)	258	59	258	59
Listing expenses – Recurring	24	22	46	44
Write down/(write back) of inventories	53	(39)	53	(39)
Impairment loss/(write back) of allowance on trade receivables and contract assets	225	(96)	225	(96)
Staff costs (including directors' remuneration)				
- Salaries and related costs	46,553	31,853	80,054	67,457
- Contribution to defined contribution plans	1,820	1,872	4,609	4,460
- Share option expenses under ESOS Schemes	(49)	136	87	443
- Award shares expenses under RSP 2021	615	465	995	712
(Gain)/write off/ loss on disposal of property, plant and equipment	(94)	155	(69)	808
Write off of other financial assets	-	270	-	270
Exchange (gain)/loss	(287)	348	(679)	535
Provision for warranties and restoration of property, plant and equipment	66	132	185	299
Reversal of provision for warranties	(146)	(191)	(219)	(487)

## E. Notes to the unaudited condensed interim consolidated financial statements

### 7 Income Tax Expenses

The Group calculates the income tax expenses using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expenses in the unaudited condensed interim consolidated statement of profit or loss are:

	2H2024 S\$'000	Group 2H2023 S\$'000	Group FY2024 S\$'000	Group FY2023 S\$'000
Income tax:				
- Current period	2,047	719	2,425	1,185
- Under/(over) provision in prior years	144	(61)	126	(97)
	<u>2,191</u>	<u>658</u>	<u>2,551</u>	<u>1,088</u>
Deferred tax:				
- Current period	(647)	(259)	(636)	(511)
- Over/(under) provision of deferred tax assets in prior years	163	-	195	(128)
	<u>1,707</u>	<u>399</u>	<u>2,110</u>	<u>449</u>

### 8 Earnings per Share

#### (a) Basic Earnings per Share

Basic earnings per share amounts are calculated by dividing profit for the period, net of tax, attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the financial periods as follows:

	2H2024	Group 2H2023	Group FY2024	Group FY2023
Profit for the period attributable to equity holders of the Company (S\$'000)	11,482	10,784	7,744	3,135
Weighted average number of ordinary shares ('000)	654,822	650,895	654,822	650,895
Basic earnings per share (cents)	<u>1.75</u>	<u>1.65</u>	<u>1.18</u>	<u>0.48</u>

## E. Notes to the unaudited condensed interim consolidated financial statements

### 8 Earnings per Share (cont'd)

#### (b) Diluted Earnings per Share

For the purposes of calculating diluted earnings per share, profit attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares. The Company has two categories of dilutive potential ordinary shares: share options and restricted share plan

For share options, the weighted average number of shares on issue has been adjusted as if all dilutive share options were exercised. The number of shares that could have been issued upon the exercise of all dilutive share options less the number of shares that could have been issued at fair value (determined as the Company's average share price for the financial period) for the same total proceeds is added to the denominator as the number of shares issued for no consideration. No adjustment is made to the net profit.

Diluted earnings per share amounts attributable to equity holders of the Company are calculated as follows:

	Group			
	2H2024	2H2023	FY2024	FY2023
Profit for the period attributable to equity holders of the Company (S\$'000)	11,482	10,784	7,744	3,135
Weighted average number of ordinary shares ('000)	654,822	650,895	654,822	650,895
Adjustments for ('000):				
- Share options	27	90	27	90
- Restricted share plan	1,925	1,073	1,925	1,073
	656,774	652,058	656,774	652,058
Diluted earnings per share (cents)	1.75	1.65	1.18	0.48

### 9 Net Asset Value

	Group		Company	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Net assets value (S\$'000)	387,860	379,872	255,349	255,901
Number of shares ('000)	651,651	647,056	651,651	647,056
Net asset value per share (cents)	59.52	58.71	39.18	39.55

## E. Notes to the unaudited condensed interim consolidated financial statements

### 10 Property, Plant and Equipment and Intangible assets

During the twelve months ended 31 December 2024, the Group acquired property, plant and equipment amounting to S\$37,304,000 (31 December 2023: S\$57,299,000) and disposed of/write off property, plant and equipment amounting to S\$1,711,000 (31 December 2023: S\$2,066,000). The additions to property, plant and equipment included S\$2,425,000 (31 December 2023: S\$8,251,000) acquired under right-of-use assets under leasing arrangement. The disposal of property, plant and equipment included derecognition of right-of-use assets arising from early termination of leased properties amounting to S\$1,544,000 (31 December 2023: S\$782,000). The Group derecognised the corresponding lease liabilities in the same period.

During the twelve months ended 31 December 2024, the Group added intangible assets amounting to S\$28,703,000 (31 December 2023: S\$16,985,000).

### 11 Investment in Subsidiaries

#### Additional injection in capital/ incorporation of subsidiaries/ acquisition of subsidiaries

During the twelve months ended 31 December 2024, the Company carried out the following investment in subsidiaries:

- (a) As at 16 January 2024, Nanofab Technologies Pte. Ltd. (“NFT”) was 90% owned by the Company and 10% owned by MG Consulting Holdings Pte. Ltd. (“MG Holdings”). Pursuant to the shareholders’ agreement dated 27 October 2017 (as amended on 1 July 2019, 15 June 2020 and 6 October 2020) entered into between the Company and MG Holdings (“NFT SHA”), MG Holdings elected to effect an exchange of the 10% shares in NFT held by MG Holdings (“NFT Swap Shares”) with shares in the Company issued to MG Holdings (“NTI Swap Shares”) (the “Share Swap”). On 17 January 2024, the Company transferred 3,866,104 treasury shares in the Company to MG Holdings at cost of S\$7,704,000 in settlement of the NTI Swap Shares and in exchange, MG Holdings transferred the NFT Swap Shares to the Company. Following completion of the Share Swap, NFT became a wholly-owned subsidiary of the Company. The Group recognised a net decrease in non-controlling interest of S\$1,895,000 and a corresponding debit to other reserves by S\$5,809,000.

The consolidated net asset value of NFT as at 31 December 2022 was S\$15.8 million. The number of NTI Swap Shares transferred to MG Holdings as consideration for the NFT Swap Shares was computed in accordance with the NFT SHA, which took into consideration the net profit after tax of NFT for FY2022, and the price earning ratio and market capitalization of the Company as at 31 December 2022. Please refer to the Company’s prospectus dated 23 October 2020, at pages 311 to 313 for more details.

- (b) Effective 25 January 2024, Nanofilm Technologies Europe B.V. (“NTEBV”) and the Company (as sole shareholder of NTEBV) entered into a share premium contribution agreement pursuant to which payment of a total sum of EUR6,800,000 (equivalent to S\$9,904,000) was made by the Company to NTEBV as payment towards the share premium contribution without the issue of shares in the capital of NTEBV.
- (c) On 1 February 2024, the acquisition of 100% equity interest of Axyntec Dünnschichttechnik GmbH (“Axyntec”) was completed for a purchase consideration of EUR6,800,000 (equivalent to S\$9,904,000) of which EUR5,800,000 (equivalent to S\$8,448,000) was settled with cash on the same day. The remaining EUR1,000,000 (equivalent to S\$1,456,000) are to be settled over three years after completion upon the terms and conditions of the share sale and purchase Agreement dated 21 December 2023. In January 2025, the Company released the first instalment of EUR333,000 (equivalent to S\$454,000) to the sellers. Following the completion of the acquisition, Axyntec has become an indirect wholly-owned subsidiary of the Company. In January 2025, the Company released the first instalment of EUR333,000 (equivalent to S\$454,000) to the sellers.

## E. Notes to the unaudited condensed interim consolidated financial statements

### 11 Investment in Subsidiaries (cont'd)

(c) (cont'd)

The fair values of identifiable net assets and the cash outflow on the acquisition as at 1 February 2024 were as follows:

	Fair Value S\$'000
Non-current assets	4,115
Cash and cash equivalents	694
Current assets (excluding cash and cash equivalents)	1,042
Total liabilities	(3,700)
Net identifiable assets acquired	2,151
Add: Goodwill	7,753
Total consideration transferred	9,904
Less: Cash and cash equivalents acquired	(694)
Net cash outflow on acquisition	9,210

The goodwill is attributable to Axyntec's strong position in the market and the potential benefits arising from the synergy in the new subsidiary. The business of Axyntec has been integrated into the Group's Advanced Materials Business Unit.

- (d) On 22 April 2024, the Company increased the mobilised capital of Nanofilm Technologies Vietnam Co., Ltd. from USD5,000,000 to USD15,000,000. The increase in mobilised capital was to fund the construction of Phase 2 of the new Plant 2 in Vietnam.
- (e) On 14 May 2024, the Company's wholly-owned subsidiaries in Singapore, Nanofilm Advanced Materials India Pte. Ltd. and Nanofilm Advanced Materials Pte. Ltd., respectively subscribed for 980,100 and 9,900 new shares in Nanofilm Advanced Materials India Private Limited, a wholly-owned subsidiary in India for a consideration of INR9,801,000 (equivalent to S\$158,000) and INR99,000 (equivalent to S\$2,000) respectively. The purpose of the capital injection was to fund the working capital of the subsidiary.
- (f) On 29 May 2024, the Company subscribed for 171,000 ordinary shares in the capital of Nanofilm Advanced Materials Pte. Ltd. for an aggregate consideration of S\$171,000. The purpose of the capital injection was to fund the subscription by Nanofilm Advanced Materials Pte. Ltd. of 169,999 shares and 9,900 shares in Nanofilm Advanced Materials India Pte. Ltd. and Nanofilm Advanced Materials India Private Limited respectively.
- (g) On 29 May 2024, Nanofilm Advanced Materials Pte. Ltd., subscribed for 169,999 ordinary shares in the capital of Nanofilm Advanced Materials India Pte. Ltd. for an aggregate consideration of S\$169,999. The purpose of the capital injection was to fund the subscription by Nanofilm Advanced Materials India Pte. Ltd. of 980,100 shares in Nanofilm Advanced Materials India Private Limited.
- (h) On 10 December 2024, NTEBV and the Company (as sole shareholder of NTEBV) entered into a share premium contribution agreement pursuant to which NTEBV and the Company agreed that the payment of a total sum of EUR500,000 (equivalent to S\$725,000) made by the Company to NTEBV in November 2023 ("Effective Date") will be deemed as (a) payment of EUR1 (equivalent to S\$1) towards the nominal value of the one (1) issued common share in the capital of NTEBV; and (b) payment of EUR499,999 (equivalent to S\$724,999) towards the share premium contribution without the issue of shares in the capital of NTEBV, as of the Effective Date.
- (i) On 10 December 2024, NTEBV (as the sole shareholder of Nanofilm AM Germany GmbH ("NAMG")) passed a shareholders' resolution to record and confirm that the payment of a total sum of EUR350,000 (equivalent to S\$510,000) made by NTEBV to NAMG on 23 November 2023 will be deemed as (a) payment of EUR100,000 (equivalent to S\$146,000) towards the share capital of NAMG; and (b) payment of EUR250,000 (equivalent to S\$364,000) towards the free share capital reserve of NAMG.

## E. Notes to the unaudited condensed interim consolidated financial statements

### 12 Investment in Associate

	Group		Company	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
	S\$'000	S\$'000	S\$'000	S\$'000
Investment in associate	3,789	3,892	-	-

<u>Name of associate</u>	<u>Principal activity</u>	<u>Place of incorporation and operation</u>	<u>Proportion (%) of ownership interest</u>
Zulu Inc.	Design and manufacturing of adjustable eyecare lenses	United states	21.9

On 21 January 2022, Nanofilm Investments Pte. Ltd., a wholly owned subsidiary of the Company entered into a stock purchase agreement with Zulu Inc., a Delaware corporation for the purchase of 30,000,000 shares of preferred stock in Zulu Inc. at a consideration of US\$3,000,000 (equivalent to S\$4,061,000), for a stake of 21.9%. The purchase was completed on 15 February 2022. Concurrently, on 16 February 2022, the Company subscribed for 4,061,100 new ordinary shares in the capital of Nanofilm Investments Pte. Ltd., for an aggregate consideration of S\$4,061,100. The purpose of the capital injection was to fund the subscription of the 30,000,000 shares of preferred stock in Zulu Inc.

Nanofilm Investments Pte. Ltd. shall have the right and option, but not the obligation, to require Zulu Inc. to issue, for the price of US\$3,000,000, such number of shares of Series A Preferred Stock which, assuming full conversion into common stock, would comprise 13.0% of the common stock issued and outstanding immediately after the option closing on a fully diluted basis.

The call option shall be treated as mandatorily and automatically exercised if the following conditions are met:

- Zulu Inc. raised any equity fundraising round of which the pre-money valuation of the company will be no less than US\$30,000,000; and
- Zulu Inc. will receive no less than US\$3,000,000 in investment proceeds

The exercise period is at any time from and including the date of the agreement (dated 21 January 2022) up to and including the date which is the fifth anniversary thereof (21 January 2027).

The following table summarises the financial information of Zulu Inc. as included in its own financial statements. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in Zulu Inc.

	Zulu Inc 31/12/2024 S\$'000	Zulu Inc 31/12/2023 S\$'000
Non-current assets	93	198
Current assets	1,487	1,668
Current liabilities	(884)	(702)
Net assets of the associate	696	1,164
Proportion of the Group's ownership in Zulu Inc.	21.9%	21.9%
Group's share of net assets	152	255
Goodwill	3,637	3,637
Carrying amount of the Group's interest in Zulu Inc.	3,789	3,892
Revenue	79	51
Loss for the year	(469)	(556)

## E. Notes to the unaudited condensed interim consolidated financial statements

### 13 Trade and Other Receivables, and Other Current/Non-Current Assets

	Group		Company	
	31/12/2024 S\$'000	31/12/2023 S\$'000	31/12/2024 S\$'000	31/12/2023 S\$'000
Current				
Trade receivables:				
- Third parties	96,158	68,731	8,842	4,359
- Loss allowance	(497)	(216)	(67)	(30)
	95,661	68,515	8,775	4,329
- Subsidiaries	-	-	5,795	1,532
- Loss allowance	-	-	(73)	(7)
	-	-	5,722	1,525
	95,661	68,515	14,497	5,854
Other receivables:				
- Deposits	589	491	363	378
- GST/VAT and other taxes receivable	1,555	2,442	459	489
- Due from subsidiaries	-	-	1,842	2,869
- Sundry debtors	1,842	2,696	229	24
	3,986	5,629	2,893	3,760
Other current assets:				
- Prepayments	4,087	2,890	3,137	2,467
- Advances to suppliers	8,023	4,256	119	216
	12,110	7,146	3,256	2,683
Total current	111,757	81,290	20,646	12,297
Non-current				
Other receivables:				
- Loans due from subsidiaries	-	-	3,595	66,265
Gross amount (non-interest bearing)	-	-	3,595	67,354
Less: Fair value adjustment to investment in a Group's subsidiary	-	-	-	(6,036)
Add: Accumulated imputed interest recognised in profit or loss, net of exchange differences	-	-	-	4,947
Total non-current	-	-	3,595	66,265

#### Current

Trade receivables are interest-free and are generally on 30 to 90 days' terms.

The amounts due from subsidiaries are non-trade in nature, unsecured, interest-free and repayable on demand, except for an amount due from subsidiaries of S\$354,000 (2023: S\$2,229,000) which is interest bearing at 3% (2023: 3%) per annum and are repayable within the next 12 months.

**E. Notes to the unaudited condensed interim consolidated financial statements**

**13 Trade and Other Receivables, and Other Current Assets (cont'd)**

Non-current

As at 31 December 2024, a loan amount of S\$1,295,000 (2023: S\$1,399,000) due from a subsidiary is unsecured, bearing interest at 3% (2023: 3%) per annum and repayable on 1 January 2026.

As at 31 December 2024, a loan amount of S\$2,300,000 (2023: Nil) due from a subsidiary is unsecured, interest-free and repayable on 31 December 2027.

As at 31 December 2023, a loan amount of S\$64,866,000 due from a subsidiary was unsecured, interest-free and repayable on 1 January 2026. The amount was adjusted to be measured at fair value at date of inception. Accordingly, imputed interest income has been recognised in the Company's profit or loss and fair value adjustment has been recognised in investments in subsidiaries. The loan has been fully repaid by the subsidiary in 2024.



## E. Notes to the unaudited condensed interim consolidated financial statements

### 14 Share Capital and Treasury Shares

	Group and Company			
	2024		2023	
	No. of ordinary shares ('000)	S\$'000	No. of ordinary shares ('000)	S\$'000
<u>Fully paid ordinary shares</u>				
At 1 January	663,443	266,927	663,443	266,927
At 31 December	663,443	266,927	663,443	266,927
<u>Treasury shares</u>				
At 1 January	16,387	32,653	6,045	17,521
Purchase of treasury shares	-	-	11,082	16,701
Treasury shares re-issued for settlement of NTI Swap Shares to acquire interest in non-controlling interest	(3,866)	(7,704)	-	-
Treasury shares re-issued under ESOS Scheme 2017 and RSP 2021	(729)	(1,451)	(740)	(1,569)
At 31 December	11,792	23,498	16,387	32,653
Total issued shares excluding treasury shares	651,651	243,429	647,056	234,274

#### Treasury shares

For the twelve months period ended 31 December 2024, the Company held 11,792,575 treasury shares, representing 1.81% of the total number of issued ordinary shares (excluding treasury shares) comprising 651,650,535 shares as at 31 December 2024.

For the twelve months period ended 31 December 2023, the Company held 16,386,800 treasury shares, representing 2.53% of the total number of issued ordinary shares (excluding treasury shares) comprising 647,056,310 shares as at 31 December 2023.

During 2024, the Group transferred 3,866,104 treasury shares to MG Holdings in settlement of the NTI Swap Shares, 688,121 treasury shares for the vesting and release of shares pursuant to the RSP 2021 and 40,000 treasury shares in settlement of the exercise of Options granted under the ESOS Scheme 2017.

During 2023, the Group purchased 11,081,900 shares from the open market and held them as treasury shares. In the year, the Group transferred 154,600 treasury shares in settlement of the vesting and release of shares pursuant to the RSP 2021 and 586,000 treasury shares in settlement of the exercise of Options granted under the ESOS Scheme 2017.

#### Subsidiary holdings

There were no holdings in the Company by any subsidiary as at 31 December 2024 and 31 December 2023.

## E. Notes to the unaudited condensed interim consolidated financial statements

### 15 Employee Share Options and Share Awards

#### Pre-IPO Employee Share Option Scheme 2017 (“ESOS Scheme 2017”)

As at 31 December 2024 and 31 December 2023, details of the options granted under the ESOS Scheme 2017 to acquire ordinary shares in the capital of the Company are as follows:

Date of grant of options	Options outstanding at 1.1.2024	Options granted	Options cancelled/lapsed	Options exercised	Options outstanding at 31.12.2024	Exercise price S\$	Date of expiry
3 December 2018	70,000	-	(30,000)	(40,000)	-	0.5868	9-27 December 2024
1 July 2020	100,000	-	-	-	100,000	0.5868	30 June 2026
	<u>170,000</u>	<u>-</u>	<u>(30,000)</u>	<u>(40,000)</u>	<u>100,000</u>		

  

Date of grant of options	Options outstanding at 1.1.2023	Options granted	Options cancelled/lapsed	Options exercised	Options outstanding at 31.12.2023	Exercise price S\$	Date of expiry
3 December 2018	100,000	-	-	(30,000)	70,000	0.5868	9-27 December 2024
3 June 2019	90,000	-	-	(90,000)	-	0.5868	16-18 June 2025
1 July 2020	566,000	-	-	(466,000)	100,000	0.5868	30 June 2026
	<u>756,000</u>	<u>-</u>	<u>-</u>	<u>(586,000)</u>	<u>170,000</u>		

As at 31 December 2024, all the 100,000 outstanding options (31 December 2023: 170,000) granted under the ESOS Scheme 2017 had vested.

#### Employee Share Option Scheme (“ESOS Scheme 2020”)

As at 31 December 2024 and 31 December 2023, details of the options granted under the ESOS Scheme 2020 to acquire ordinary shares in the capital of the Company are as follows:

Date of grant of options	Options outstanding at 1.1.2024	Options granted	Options cancelled/lapsed	Options exercised	Options outstanding at 31.12.2024	Exercise price S\$	Date of expiry
26 March 2021	684,500	-	-	-	684,500	4.9279	26 March 2031
6 April 2021	510,000	-	(130,000)	-	380,000	5.1135	6 April 2026 & 6 April 2031
19 August 2021	530,000	-	(200,000)	-	330,000	4.1185	19 August 2026
31 March 2022	1,965,000	-	(620,000)	-	1,345,000	2.6907	31 March 2027
	<u>3,689,500</u>	<u>-</u>	<u>(950,000)</u>	<u>-</u>	<u>2,739,500</u>		

  

Date of grant of options	Options outstanding at 1.1.2023	Options granted	Options cancelled/lapsed	Options exercised	Options outstanding at 31.12.2023	Exercise price S\$	Date of expiry
26 March 2021	730,500	-	(46,000)	-	684,500	4.9279	26 March 2031
6 April 2021	610,000	-	(100,000)	-	510,000	5.1135	6 April 2026 & 6 April 2031
19 August 2021	530,000	-	-	-	530,000	4.1185	19 August 2026
31 March 2022	2,325,000	-	(360,000)	-	1,965,000	2.6907	31 March 2027
	<u>4,195,500</u>	<u>-</u>	<u>(506,000)</u>	<u>-</u>	<u>3,689,500</u>		

## E. Notes to the unaudited condensed interim consolidated financial statements

### 15 Employee Share Options and Share Awards (cont'd)

#### Employee Share Option Scheme ("ESOS Scheme 2020") (cont'd)

As at 31 December 2024, out of the 2,739,500 outstanding options granted under the ESOS Scheme 2020, 1,718,375 had vested and 1,021,125 will vest between 2025 and 2026.

As at 31 December 2023, out of the 3,689,500 outstanding options granted under the ESOS Scheme 2020, 1,353,500 had vested and 2,336,000 will vest between 2024 and 2026.

#### Nanofilm Restricted Share Plan ("RSP 2021")

As at 31 December 2024, a total of 3,625,223 share awards were granted under the RSP 2021.

- 1) 647,531 share awards were granted on 29 February 2024. 50% of the share awards had vested on 30 September 2024 and the remaining 50% of the share awards will vest on 30 September 2025.
- 2) 1,522,692 share awards were granted on 6 September 2024. The share awards granted will vest over 3 years commencing from 30 September 2024.
- 3) 25,000 share awards were granted on 26 January 2022. The share awards granted will vest over four years in four equal annual tranches commencing 26 January 2023.
- 4) 273,000 share awards were granted on 31 March 2022.
  - a. 240,000 share awards granted will vest over five years in five equal annual tranches commencing 31 March 2023.
  - b. 33,000 share awards granted will vest over ten years in ten equal annual tranches commencing 31 March 2023.
- 5) 438,000 share awards were granted on 26 August 2022. The share awards granted will vest over ten years in ten equal annual tranches commencing 26 August 2023.
- 6) 719,000 share awards were granted on 31 December 2021. The share awards granted will vest over ten years in ten equal annual tranches commencing 31 December 2022.

As at 31 December 2024, out of the 3,625,223 share awards granted under the RSP 2021, 752,695 shares awards have forfeited, 842,721 shares were vested and released and 48,500 shares were vested and will be released in 2025 pursuant to the RSP 2021.

## E. Notes to the unaudited condensed interim consolidated financial statements

### 16 Borrowings

	Group		Company	
	31/12/2024 S\$'000	31/12/2023 S\$'000	31/12/2024 S\$'000	31/12/2023 S\$'000
<u>Current</u>				
Bank loans	8,229	4,668	1,872	1,872
Lease liabilities	3,344	3,851	1,757	1,697
	<u>11,573</u>	<u>8,519</u>	<u>3,629</u>	<u>3,569</u>
<u>Non-current</u>				
Bank loans	76,728	77,528	20,668	22,540
Lease liabilities	17,375	19,711	9,241	10,391
	<u>94,103</u>	<u>97,239</u>	<u>29,909</u>	<u>32,931</u>
<u>Amount repayable in one year or less, or on demand</u>				
Secured	11,573	8,519	3,629	3,569
Unsecured	-	-	-	-
	<u>11,573</u>	<u>8,519</u>	<u>3,629</u>	<u>3,569</u>
<u>Amount repayable after one year</u>				
Secured	94,103	97,239	29,909	32,931
Unsecured	-	-	-	-
	<u>94,103</u>	<u>97,239</u>	<u>29,909</u>	<u>32,931</u>

#### Details of any collateral

As at 31 December 2024, a bank loan amounting to S\$22,540,000 (2023: S\$24,412,000) was outstanding to a local bank. The loan was obtained by the Company for general working capital purposes after the acquisition of the property at 11 Tai Seng Drive, Singapore, which was funded by internal sources of funds on completion. The bank loan was secured by a mortgage over the property. The Company incurred an interest of approximately 3.88% to 4.65% (2023: 4.62% to 4.80%) per annum based on a fixed interest spread and cost of fund.

As at 31 December 2024, a bank loan amounting to S\$55,077,000 (2023: S\$57,784,000) was outstanding by a wholly owned subsidiary, Nanofilm Renewable Energy Technology (Shanghai) Co., Ltd. to a local financial institution for working capital purposes. The bank loan was secured by a mortgage over the Shanghai Plant 1 and 2 and corporate guarantee of the Company and a wholly owned subsidiary, Nanofilm Vacuum Coating (Shanghai) Co., Ltd. The bank loan incurred interest at 2.79% (2023: 2.79%) per annum.

As at 31 December 2024, a bank loan amounting to S\$6,068,000 (2023: Nil) was outstanding by a wholly owned subsidiary, Nanofilm Vacuum Coating (Shanghai) Co., Ltd., to a local financial institution for working capital purposes. The bank loan was secured by a mortgage over the Shanghai Plant 1 and 2 and corporate guarantee of the Company. The bank loan incurred interest at 2.60% (2023: Nil) per annum.

As at 31 December 2024, bank loans amounting to S\$1,272,000 (2023: Nil) were outstanding by a wholly owned subsidiary, Axyntec to local financial institutions for capital expenditures purposes. The bank loans were secured by mortgage over machineries of Axyntec. The bank loans incurred interest at a range from 2.27% to 2.95% per annum.

Lease liabilities of the Group and the Company amounting to S\$20,719,000 (2023: S\$23,562,000) and S\$10,998,000 (2023: S\$12,088,000) respectively are secured by the leased properties and plant and machinery under the leasing arrangements.

## E. Notes to the unaudited condensed interim consolidated financial statements

### 17 Trade and Other Payables

	Group		Company	
	31/12/2024 S\$'000	31/12/2023 S\$'000	31/12/2024 S\$'000	31/12/2023 S\$'000
<u>Current</u>				
Trade payables:				
- Subsidiaries	-	-	472	1,257
- Third parties	21,106	14,368	1,156	1,982
	<u>21,106</u>	<u>14,368</u>	<u>1,628</u>	<u>3,239</u>
Other payables:				
- Accrued operating expenses	11,015	9,295	1,874	1,659
- Advances received from government	1,372	434	19	19
- VAT and other taxes payable	1,534	461	4	-
- Sundry creditors	7,578	10,478	250	531
- Due to subsidiaries	-	-	8,894	6,283
	<u>21,499</u>	<u>20,668</u>	<u>11,041</u>	<u>8,492</u>
Total current trade and other payables	<u>42,605</u>	<u>35,036</u>	<u>12,669</u>	<u>11,731</u>
<u>Non-current</u>				
Other payables:				
- Put option liability	53,100	53,100	-	-
Total non-current other payables	<u>53,100</u>	<u>53,100</u>	<u>-</u>	<u>-</u>

Trade payables are interest-free and are normally settled on 30 to 90 days' terms. The trade amounts due to subsidiaries are unsecured, interest-free and repayable on normal credit terms.

Other payables due to subsidiaries are non-trade in nature, unsecured, interest free and repayable on demand.

Included in sundry creditors are payables to vendors of property, plant and equipment of S\$3,670,000 (2023: S\$5,202,000).

The non-current other payable of S\$53,100,000 as at 31 December 2024 and 31 December 2023 was attributed to a financial liability to acquire non-controlling interest. Arising from the investment in Sydrogen Energy Pte. Ltd., the financial liability relates to a put option agreement with Venezio Investments Pte. Ltd. (an indirect wholly owned subsidiary of Temasek Holdings (Private) Ltd) for the Company to acquire its 35% equity interest in Sydrogen Energy Pte. Ltd. in the event of a put option event based on the terms of the agreement. The measurement of the fair value of the financial liability is derived from valuation techniques that include inputs for the liability that are not based on observable market data (level 3 fair value measurements).

## E. Notes to the unaudited condensed interim consolidated financial statements

### 18 Dividends

	Group and Company	
	FY2024 S\$'000	FY2023 S\$'000
Ordinary dividends declared and payable:		
One-tier tax exempt final dividend of a total of S\$0.0033 per share paid on 20 May 2024 in respect of the financial year ended 31 December 2023	2,148	-
One-tier tax exempt interim dividend of a total of S\$0.0033 per share paid on 6 September 2024 in respect of the financial year ended 31 December 2024	2,149	-
One-tier tax exempt final dividend of a total of S\$0.011 per share paid on 18 May 2023 in respect of the financial year ended 31 December 2022	-	7,137
One-tier tax exempt interim dividend of a total of S\$0.0033 per share paid on 8 September 2023 in respect of the financial year ended 31 December 2023	-	2,135
	<u>4,297</u>	<u>9,272</u>

### 19 Commitments and Contingencies

#### Capital commitment

Capital expenditure contracted for as at the reporting date but not recognised in the unaudited condensed interim financial statements is as follows:

	Group		Company	
	31/12/2024 S\$'000	31/12/2023 S\$'000	31/12/2024 S\$'000	31/12/2023 S\$'000
Property, plant and equipment	<u>4,978</u>	<u>4,253</u>	<u>937</u>	<u>1,628</u>

### 20 Related Party Transactions

In addition to the related party information disclosed elsewhere in the unaudited condensed interim financial statements, significant transactions with related parties, on terms agreed between parties, are as follows:

	Group			
	2H2024 S\$'000	2H2023 S\$'000	FY2024 S\$'000	FY2023 S\$'000
<u>Transactions with related parties</u>				
Sales	14,256	14,169	30,348	25,954
Purchases	8,933	10,701	18,118	20,012
Lease payments	75	52	127	127

## E. Notes to the unaudited condensed interim consolidated financial statements

### 21 Other Financial Assets

	31/12/2024	Group 31/12/2023
	S\$'000	S\$'000
<u>Equity Investments – at fair value through other comprehensive income</u>		
Investment in unquoted equity (non-current)	1,367	1,367

The investment in unquoted equity represents investments that the Group intends to hold for the long-term for strategic purposes. No strategic investments were disposed of during FY2024, and there were no transfers of any cumulative gain or loss within equity relating to these investments. No dividend was recognised during FY2024. The carrying value approximates its fair value and is derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (level 3 fair value measurements).

### 22 Fair Value

*Fair value measurements recognised in the statement of financial position*

The Group provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- (i) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- (ii) Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- (iii) Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

*Financial assets and liabilities at amortised cost, whose carrying amounts approximate fair values*

The carrying amounts of the Group's and the Company's financial assets and financial liabilities with a maturity of less than one year approximate their fair values due to their short-term maturities.

Other than as disclosed, the fair values of the Group's and the Company's non-current financial assets and non-current financial liabilities are calculated based on discounted expected future principal and interest cash flows. The discount rate used is based on market rate for similar instruments as at the reporting date ("Level 2"). As at 31 December 2024 and 31 December 2023, the carrying amounts of these non-current assets and non-current liabilities approximate their fair values.

## **E. Notes to the unaudited condensed interim consolidated financial statements**

### **23 Subsequent events**

On 11 February 2025, the Company's wholly-owned subsidiary, Nanofilm AM Germany GmbH, and the Company entered into a share sale and purchase agreement ("SPA") with Mr Burkhard Scholz (the "Vendor") to acquire all the shares in the capital of MC Europ Coating GmbH ("MC Coating") and EC Europ Coating GmbH ("EC Coating") held by the Vendor. The Company is a party to the SPA as guarantor to guarantee the payment by NAMG of the consideration under the SPA.

The consideration for the acquisition is EUR 3,070,051 with an earn-out consideration of up to EUR 1,195,000, conditional upon MC Coating and EC Coating meeting certain financial performance targets for FY2024. Following completion of the acquisition on 15 February 2025, both MC Coating and EC Coating have become indirect wholly-owned subsidiaries of the Company.

Please refer to the Company's announcements dated 12 February 2025 and 15 February 2025 for more details.



## Other Information Required by Listing Rule Appendix 7.2

**1 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The condensed consolidated statement of financial position of Nanofilm Technologies International Limited (the “Company”) and its subsidiaries (the “Group”) and the statement of financial position of the Company as at 31 December 2024 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the 12-month period then ended and certain explanatory notes have not been audited or reviewed.

**2 Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).**

Not applicable.

**2A Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion: - (a) updates on the efforts taken to resolve each outstanding audit issue; (b) confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed. This is not required for any audit issue that is a material uncertainty relating to going concern.**

Not applicable.

**3 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: -**

**(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and  
 (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

### REVIEW OF THE GROUP'S PERFORMANCE

#### Revenue

The Group derives revenue from its four BU segments: (i) Advanced Materials BU, (ii) Nanofabrication BU, and (iii) Industrial Equipment BU and (iv) Sydrogen BU.

The Group's revenue for FY2024 was S\$204.3 million, registering an increase of S\$27.3 million (15.4%) from S\$177.0 million in FY2023, attributed by higher revenue from the Advanced Materials BU, Nanofabrication BU and Sydrogen BU. The increase was partially offset by the decrease in revenue from the Industrial Equipment BU.

	<b>FY2024</b>	<b>FY2023</b>	<b>Change</b>
	S\$'000	S\$'000	%
Advanced Materials BU	172,140	141,544	21.6
Industrial Equipment BU	11,290	18,372	(38.5)
Nanofabrication BU	18,042	16,049	12.4
Sydrogen BU	2,797	1,053	165.6
<b>Total</b>	<b>204,269</b>	<b>177,018</b>	<b>15.4</b>

#### Revenue – Advanced Materials BU

Revenue from the Advanced Materials BU for FY2024 was S\$172.0 million, an increase of S\$30.5 million (21.6%) from S\$141.5 million in FY2023, attributable to higher revenue contributions from 3C product sub-segments and Automotive product sub-segments.

#### Revenue – Industrial Equipment BU

Revenue from the Industrial Equipment BU for FY2024 revenue was S\$11.3 million, a decrease of S\$7.1 million (-38.5%) from S\$18.4 million in FY2023, attributable to lower sales of industrial equipment to third party customers.

## Other Information Required by Listing Rule Appendix 7.2

### REVIEW OF THE GROUP'S PERFORMANCE (cont'd)

#### Revenue (cont'd)

##### *Revenue – Nanofabrication BU*

Revenue from the Nanofabrication BU for FY2024 revenue was S\$18.0 million, an increase of S\$2.0 million (12.4%) from S\$16.0 million in FY2023, primarily due to higher sales in the consumer electronics sectors.

##### *Revenue – Sydrogen BU*

Revenue from the Sydrogen BU for FY2024 revenue was S\$2.8 million, an increase of S\$1.7 million (165.6%) from S\$1.1 million in FY2023, primarily due to production ramp-up.

#### Gross profit

Gross profit for FY2024 was S\$75.9 million, an increase of S\$10.3 million (15.7%) from S\$65.6 million for FY2023. Gross profit margin was 37.1% for FY2024, an increase from 37.0% for FY2023, primarily due to better performance in AMBU and NFBU, but partially offset by a weaker performance in IEBU.

#### Other operating income

The breakdown for other operating income for FY2024 and FY2023 is as follows:

	FY2024 S\$'000	FY2023 S\$'000	Change %
Government grants and incentives	2,415	4,627	(47.8)
Sundry income	1,712	1,212	41.2
Scrap sales	105	148	(29.1)
Gain on disposal of property, plant and equipment	145	201	(27.9)
Exchange gains, net	679	-	n.m.
<b>Total</b>	<b>5,056</b>	<b>6,188</b>	<b>(18.3)</b>

Other operating income was S\$5.1 million for FY2024, a decrease of S\$1.1 million (-18.3%) from S\$6.2 million for FY2023. This was primarily due to a decrease in government grants and incentives received from local government, an increase in sundry income of S\$0.5 million and an exchange gain of S\$0.7 million for FY2024 in comparison to an exchange loss incurred in FY2023.

#### Finance income

Finance income was S\$3.2 million for FY2024, an increase of S\$1.1 million (49.1%) from S\$2.1 million for FY2023. This was primarily due to interest income generated from higher interest rate from fixed deposits.

#### Research & development and engineering expenses

Research & development and engineering expenses were S\$15.0 million for FY2024, a decrease of S\$1.6 million (-9.8%) from S\$16.6 million for FY2023, mainly due to higher capitalization of development costs.

#### Selling and distribution expenses

Selling and distribution expenses were S\$10.4 million for FY2024, an increase of S\$2.0 million (24.3%) from S\$8.4 million for FY2023, primarily due to an increase in staff cost to accelerate business development and sales efforts.

#### Administrative expenses

Administrative expenses were S\$45.1 million for FY2024, an increase of S\$1.3 million (3.0%) from S\$43.8 million for FY2023. This was primarily due to an increase of S\$2.4 million in depreciation and amortisation expenses, an increase of S\$0.8 million in professional fees and an increase of S\$1.9 million in staff related costs from continuing process optimization. The increase was partially offset by a decrease of S\$0.9 million in write off/loss on disposal of property, plant and equipment, a decrease of S\$0.3 million in write off of convertible bond, a decrease of S\$1.4 million in consultant fees, and an exchange loss of S\$0.5 million in FY2023.

#### Finance costs

Finance costs were S\$3.6 million for FY2024, an increase of S\$1.7 million (90.3%) from S\$1.9 million for FY2023. This was primarily due to higher interest expenses incurred from long term bank loans drawn down by the Company's subsidiaries in China.

## Other Information Required by Listing Rule Appendix 7.2

### REVIEW OF THE GROUP'S PERFORMANCE (cont'd)

#### Income tax

Income tax for FY2024 was S\$2.1 million, an increase of S\$1.7 million (369.9%) from S\$0.4 million for FY2023, primarily due to higher profit before tax from subsidiaries in China and tax expenses from Axyntec.

#### Profit after income tax

As a result of the above factors, the Group's net profit has increased by S\$4.8 million (179.7%) to S\$7.5 million for FY2024 from S\$2.7 million for FY2023.

#### Profit after tax and minority interests (PATMI)

PATMI was S\$7.7 million for FY2024, an increase of S\$4.6 million (147.0%) after excluding loss attributable to non-controlling interests of S\$0.2 million.

#### Adjusted EBITDA

The Group's adjusted EBITDA increased by S\$12.4 million (31.5%) to S\$51.8 million for FY2024 from S\$39.4 million for FY2023.

Advanced Material BU's adjusted EBITDA for FY2024 was S\$40.5 million, an increase of S\$7.8 million (23.9%) from S\$32.7 million in FY2023, mainly due to higher sales in 3C sub-segments and revenue contribution from the Group's European business through Axyntec.

Industrial Equipment BU's adjusted EBITDA for FY2024 was S\$5.0 million, a decrease of S\$1.1 million (-18.0%) from S\$6.1 million in FY2023, mainly due to a decrease in equipment revenue recognition.

Nanofabrication BU's adjusted EBITDA for FY2024 was S\$7.9 million, an increase of S\$5.2 million (192.6%) from S\$2.7 million in FY2023, mainly due to higher sales.

Sydrogen BU's adjusted EBITDA for FY2024 was a loss of S\$1.5 million in FY2024, a decrease of S\$0.5 million (-25.0%) from a loss of S\$2.0 million in FY2023, mainly due to higher sales.

### REVIEW OF THE GROUP'S FINANCIAL POSITION

#### Property, plant and equipment

Property, plant and equipment was at S\$304.5 million as at 31 December 2024, an increase of S\$4.9 million (1.6%) from S\$299.6 million as at 31 December 2023, primarily due to additions of S\$37.3 million in FY2024 and partially offset by depreciation of S\$30.0 million charged to profit or loss, disposal/write off of property, plant and equipment of S\$1.7 million and through the acquisition of a subsidiary of S\$3.6 million.

The property, plant and equipment additions of the Group for FY2024 were as follows:

	<b>FY2024 S\$'000</b>
Plant and machinery	9,490
Building and renovation	4,008
Construction in-progress	21,713
Office and other equipment	1,876
Tools and supplies	207
Motor vehicles	10
<b>Total<sup>(1)</sup></b>	<b>37,304</b>

#### **Note:**

<sup>(1)</sup> The additions included S\$2.4 million acquired under right-of-use assets under the leasing arrangements, partially offset by the right-of-use assets derecognized of S\$1.6 million. In FY2024, the cash outflow on purchase of property, plant and equipment amounted to S\$34.9 million.

Capital expenditure relating to plant and machinery was mainly attributable to the increase number of coating service equipment in China and Vietnam as a result of an expansion of the Group's business operations.

Capital expenditure relating to building and renovation was mainly attributable to the upgrade of the leased factory units in Singapore, renovation of building by China subsidiary and right-of-use assets acquired under leasing agreement.

## Other Information Required by Listing Rule Appendix 7.2

### REVIEW OF THE GROUP'S FINANCIAL POSITION (cont'd)

#### Property, plant and equipment (cont'd)

Capital expenditure relating to construction in-progress was mainly attributable to the construction of Plant 2 and plant and machinery by a subsidiary in Vietnam and construction in-progress for plant and machinery for China. During the current period, the Group transferred S\$17.0 million assets from construction in-progress to plant and machinery, building and renovation and office and other equipment category due to the completion of the construction in-progress and commenced depreciation.

Capital expenditure relating to office and other equipment was mainly attributable to the increase in office, IT and other equipment in China of S\$1.7 million and in Singapore of S\$0.1 million as at 31 December 2024.

#### Intangible assets

Intangible assets were at S\$53.0 million as at 31 December 2024, an increase of S\$20.2 million (61.6%) from S\$32.8 million as at 31 December 2023. The increase is primarily goodwill of S\$7.7 million recorded from the acquisition of Axyntec, the capitalization of development costs of S\$15.2 million and partially offset by amortisation of S\$9.5 million charged to profit or loss in FY2024

#### Deferred tax assets

Deferred tax assets were at S\$4.3 million as at 31 December 2024, an increase of S\$0.5 million (13.2%) from S\$3.8 million as at 31 December 2023, due to the provision of deferred tax asset.

#### Inventories

Inventories were at S\$17.1 million as at 31 December 2024, a decrease of S\$2.4 million (-12.3%) from S\$19.5 million as at 31 December 2023, mainly due to lower orders fulfilled for Industrial Equipment BU.

#### Trade and other receivables and other current assets, and contract assets - Current

Trade receivables were at S\$95.7 million as at 31 December 2024, an increase of S\$27.2 million (39.7%) from S\$68.5 million as at 31 December 2023 primarily due to the increase in sales.

Other receivables were at S\$4.0 million as at 31 December 2024, a decrease of S\$1.6 million (-28.6%) from S\$5.6 million as at 31 December 2023. The net decrease in other receivables was mainly due to the decrease in sundry debtors of S\$0.9 million primarily due to less government grants and incentives received and the decrease in GST/VAT receivables of S\$0.9 million.

Other current assets represented mainly prepayments and advances to suppliers which was at S\$12.1 million as at 31 December 2024, an increase of S\$5.0 million (70.4%) from S\$7.1 million as at 31 December 2023. The increase in other current assets was mainly due to increase of S\$2.1 million in advances to suppliers for purchases of property, plant and equipment by the Company and its subsidiaries in China, and an increase of S\$2.9 million in prepayment primarily due to the prepaid cash funding to fund the research project for NTI-NTU Corporate Laboratory in Singapore and software maintenance costs.

Contracts assets were S\$18.0 million as at 31 December 2024, an increase of S\$5.2 million (40.6%) from S\$12.8 million as at 31 December 2023 mainly due to work completed but not billed at year end.

#### Other financial assets

Other financial assets were at S\$1.4 million as at 31 December 2024, same as S\$1.4 million as at 31 December 2023.

#### Bank loans

Bank loans were at S\$85.0 million as at 31 December 2024, an increase of S\$2.8 million (3.4%) from S\$82.2 million as at 31 December 2023. The increase in bank loans was due to a three-year term loan of S\$9.4 million obtained from Industrial and Commercial Bank of China by the Group's wholly-owned subsidiary, Nanofilm Vacuum Coating (Shanghai) Co., Ltd. and long term loans of S\$1.5 million due to local banks by Axyntec, offset with repayments of loans of S\$8.2 million in 2024.

## Other Information Required by Listing Rule Appendix 7.2

### REVIEW OF THE GROUP'S FINANCIAL POSITION (cont'd)

#### Lease liabilities

Lease liabilities were at S\$20.7 million as at 31 December 2024, a decrease of S\$2.9 million (-12.3%) from S\$23.6 million as at 31 December 2023. The decrease was due to derecognition of lease liabilities of S\$1.6 million by the Company for factory units in Singapore and principal payment of lease liabilities of S\$4.4 million.

#### Trade and other payables, and contract liabilities

Trade payables were at S\$21.1 million as at 31 December 2024, an increase of S\$6.7 million (46.5%) from S\$14.4 million as at 31 December 2023. The increase in trade payables was mainly attributable to an increase in trade purchases recorded in 2H2024.

Other payables were at S\$21.5 million as at 31 December 2024, an increase of S\$0.8 million (3.9%) from S\$20.7 million as at 31 December 2023. The increase in other payables is mainly attributable to an increase of accrued operating expenses of S\$1.7 million due to increase in accrued staff cost, an increase in VAT and other tax payable of S\$1.0 million and an increase of government advances of S\$0.9 million, offset against the decrease in sundry creditors of S\$2.9 million.

Contract liabilities relate to the Group's obligation to transfer goods to customers for which the Group had received consideration. Contract liabilities are recognised as revenue as the Group performs under the contract. Contract liabilities were at S\$0.6 million as at 31 December 2024, a decrease of S\$0.2 million (-25.0%) from S\$0.8 million as at 31 December 2023.

#### Provision for taxation

Provision for taxation was S\$1.3 million as at 31 December 2024, an increase of S\$0.2 million (18.2%) from S\$1.1 million as at 31 December 2023. The increase was mainly due to higher income tax expenses for the year.

#### Translation reserve

Translation reserve was S\$35.0 million as at 31 December 2024, a decrease of S\$1.5 million (-4.1%) translation gain from S\$36.5 million as at 31 December 2023. This was mainly due to the appreciation of United State Dollars against Singapore Dollars that resulted in a translation gain arising from the translation of the financial statements of the Company subsidiaries operations.

### REVIEW OF THE GROUP'S CASH FLOWS

We generated positive net cash flows from operating activities for FY2024 and FY2023.

Net cash generated from operating activities amounted to S\$21.2 million for FY2024, mainly attributed to the following:

- Operating cash flows before working capital changes of S\$50.1 million;
- Negative working capital changes of S\$26.9 million;
- Net interest received of S\$0.3 million; and
- Income tax paid of S\$2.3 million.

Net cash used in investing activities amounted to S\$59.1 million for FY2024, primarily due to the renovation carried out at China and Singapore, construction-in-progress for Plant 2 in Vietnam, purchase of property, plant and equipment and office and other equipment amounting to S\$34.9 million, additions to intangible assets of S\$15.2 million for development costs, computer software and patents, and acquisition of Axyntec of S\$9.2 million.

Net cash used in financing activities amounted to S\$7.5 million for FY2024, primarily due to proceeds from bank loans of S\$9.4 million. The cash inflows were offset by dividend payment of S\$4.3 million and repayment of bank loans and lease liabilities of S\$12.6 million.

As at 31 December 2024, cash and cash equivalents amounted to S\$110.2 million, a decrease of S\$45.0 million from S\$155.2 million as at 31 December 2023.

#### **4 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

The financial statements are in line with the forecast statements previously disclosed to shareholders.

## Other Information Required by Listing Rule Appendix 7.2

### 5 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group expects lower capital expenditures in infrastructure-related investments in FY2025, other than strategic additions of coating equipment to support the expansion initiatives in Southern China and Germany as well as coating equipment for the NTI-NTU Corporate Laboratory.

While the Group has engaged in several revenue initiatives, Advanced Materials – Consumer 1 is anticipated to be the Group's primary revenue driver for FY2025. The Group expects continued growth momentum under Advanced Materials – Industrial 2, boosted by the contributions from both AxynTeC and the EC Europ Coating Group.

Equipment sales under IEBU is projected to improve YoY with customer engagements gaining traction. The micro-lens array ("MLA") project under NFBU will remain the primary revenue driver, while pipeline projects present opportunities for sustained growth, contingent upon their advancement to mass production.

Solutions under Sydrogen continue to gain momentum in bipolar plate coating applications within the automotive industry (Tier 3). Additionally, Sydrogen is broadening its range of solutions to include Tier 2 (modules) and Tier 1 (integrated systems) with applications in the maritime sector, backup power, and vending machines.

<sup>1</sup> Advanced Materials – Consumer comprises 3C

<sup>2</sup> Advanced Materials – Industrial comprises Precision Engineering, Printing & Imaging, and AxynTeC

### 6 Dividend Information

#### (a) Current Financial Period Reported on

The Company had paid the following interim tax-exempt (one-tier) dividend to shareholders.

Name of dividend	Interim tax-exempt (one-tier) dividend
Date of Payment	6 September 2024
Dividend Type	Cash
Dividend Amount	S\$0.0033 per ordinary share
Total amount payable	S\$2.1 million

The Directors have recommended the following final tax exempt (one-tier) dividend to be paid to shareholders for the financial year ended 31 December 2024, subject to shareholders' approval at the Annual General Meeting of the Company to be held on 25 April 2025.

Name of dividend	Final tax-exempt (one-tier) dividend
Date of Payment	20 May 2025
Dividend Type	Cash
Dividend Amount	S\$0.0033 per ordinary share
Total amount payable	S\$2.1 million

#### (b) Corresponding Period of the Immediately Preceding Financial Year and Tax Rate

The Company had paid the following final tax exempt (one-tier) dividend to shareholders in the corresponding period of the immediately preceding financial year.

Name of dividend	Final tax-exempt (one-tier) dividend
Date of Payment	20 May 2024
Dividend Type	Cash
Dividend Amount	S\$0.0033 per ordinary share
Total amount paid	S\$2.1 million

## Other Information Required by Listing Rule Appendix 7.2

### Dividend information (cont'd)

- (c) The date the dividend is payable

20 May 2025

- (d) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

The Share Transfer Books and Register of Members of the Company will be closed on 9 May 2025, 5.00 pm. Duly completed transfers in respect of ordinary shares received by the Company's Shares Registrar up to 5.00 pm on 9 May 2025 will be registered to determine shareholders' entitlement to the final dividend. Shareholders whose securities accounts with The Central Depository (Pte) Limited which are credited with shares as at 5.00 pm on 9 May 2025 will be entitled to the final dividend.

- 7 If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.**

Not applicable.

- 8 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

Not applicable as the Company has not obtained a general mandate from shareholders for interested persons transactions ("IPTs").

However, in the spirit of disclosure and transparency, the IPTs entered into by the Group in the current financial period reported on were as follows: -

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000)
		<b>FY2024</b> <b>S\$'000</b>
上海纳曦餐饮管理有限公司 ("Na Xi")	Note <sup>(1)</sup>	291

**Note:**

- <sup>(1)</sup> Na Xi is an associate of the Company's director and controlling shareholder and regarded as interested persons under Chapter 9 of the Listing Manual of the SGX-ST.

- 9 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).**

Pursuant to Listing Rule 720(1), the Company has procured undertakings from all of its directors and executive officers in the format as set out in Appendix 7.7 of the SGX-ST Listing Manual.

## Other Information Required by Listing Rule Appendix 7.2

### 10 Use of IPO Proceeds

Pursuant to the Listing of the Company, the Company received gross proceeds of S\$200.0 million (“IPO Gross Proceeds”). As at the date of this announcement, the IPO Gross Proceeds have been utilised as follows:

	Amount allocated (as disclosed in the Prospectus) S\$'000	Last announced balance as at 30 June 2024 S\$'000	Amount utilised from 1 July 2024 to 31 December 2024 S\$'000	Balance S\$'000
Capital expenditure on development and building of new machinery for Advanced Materials BU and purchase of new machinery to support Nanofabrication BU	90,000	29,217	4,043	25,174
R&D & engineering for entry into new end industries and new areas and/or products in existing business segments	50,000	-	-	-
Construction, refurbishment and renovation of new and existing production facilities				
- Renovation (including refurbishment, furniture and fittings) of Shanghai Plant 2	20,000	-	-	-
- Construction, refurbishment and renovation of new and existing production facilities	10,000	-	-	-
General corporate and working capital purposes	20,900	-	-	-
Payment of underwriting commissions and offering expenses	9,100	(505)	-	(505)
	200,000	28,712	4,043	24,669



## Other Information Required by Listing Rule Appendix 7.2

### 11 Additional information pursuant to Rule 706A of the Listing Manual

Pursuant to Rule 706A of the Listing Manual, the Company wishes to announce the following acquisitions of shares and incorporations which have resulted in a company becoming a subsidiary of the Company or changes in the Company's percentage shareholding in a subsidiary or associated company during the financial year and up to the date of this announcement.

#### NTI-NFT Share Swap

As at 16 January 2024, NFT was 90% owned by the Company and 10% owned by MG Holdings. Pursuant to the NFT SHA, MG Holdings elected to effect an exchange of the NFT Swap Shares with NTI Swap Shares. On 17 January 2024, the Company transferred 3,866,104 treasury shares in the Company to MG Holdings at cost of S\$7,704,000 in settlement of the NTI Swap Shares and in exchange, MG Holdings transferred the NFT Swap Shares to the Company. Following completion of the Share Swap, NFT became a wholly-owned subsidiary of the Company. The Group recognised a net decrease in non-controlling interest of S\$1,895,000 and a corresponding increase in other reserve by S\$5,809,000.

The consolidated net asset value of NFT as at 31 December 2022 was S\$15.8 million. The number of NTI Swap Shares transferred to MG Holdings as consideration for the NFT Swap Shares was computed in accordance with the NFT SHA, which took into consideration the net profit after tax of NFT for FY2022, and the price earning ratio and market capitalization of the Company as at 31 December 2022. Please refer to the Company's prospectus dated 23 October 2020, at pages 311 to 313 for more details.

Please refer to Note 23 of this announcement on Subsequent Events in relation to the acquisition of shares in subsidiaries which has resulted in companies becoming a subsidiary of the Company.

### 12 Additional information pursuant to Rule 704(13) of the Listing Manual

Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Mr Jin Xiaozhe	49	Brother of Jin Xiao Qun (Spouse of Dr Shi Xu)	<u>Position:</u> He holds various positions since he joined the Company on 1 July 1999 and was subsequently appointed as Vice President of Advanced Materials BU in 2010. In January 2021, he was also appointed as General Manager of NRE.  <u>Duties:</u> Deputy for Business Development and Sales in Advanced Materials BU in China.	Deputy role in Business Development and Sales

## ON BEHALF OF THE BOARD

Dr Shi Xu  
 Board Chairman and Group Chief Executive Officer

25 February 2025